

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY **East Germany**

REPORT

SUBJECT **Proposed Reorganization of the Ministry for Heavy Industry**

DATE DISTR. 6 May 1955

NO. OF PAGES 2

DATE OF INFO.

REQUIREMENT NO. RD

PLACE ACQUIRE

REFERENCES

DATE ACQUIRED

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Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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1. The Kollegium of the East German Ministry for Heavy Industry at its meeting on 21 January 1955 discussed a proposed reorganization of the Ministry. The changes to be made in structure were chiefly on the central level.
2. As explained by Minister Fritz Selbmann, the new structure would:
 - a) eliminate the idea that organization must be uniform throughout the Ministry.
 - b) overcome the idea that at least one department was required for each individual function; and
 - c) relieve Main Administration heads of many of their individual tasks so that they would then be in a position to run their industrial branches in accordance with the principles of the government's policy.

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3. Specifically, the proposed reorganization would unite the formerly independent Departments for Planning, Investments and for Material Procurement into a single Main Department for Planning since these departments were essentially concerned with planning as it was. The three Marketing Departments - Coal, Metallurgy and Chemicals - would also be integrated into a single Main Department for Marketing. This change would involve no alteration in their individual functions but would permit a systematic marketing policy within the Ministry, as well as centralized guidance.

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4. The Main Department for Research and Technical Development would be considerably reduced both in scope and personnel since experience had shown that most of its functions were handled better in the individual Main Administrations. In the future, the Main Department for Research would work out on the central level only:

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- a) research plans and analyses of their fulfillment;

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- b) coordination of technical and scientific work;
- c) literature matters and documentation.

By such a limitation in function, the present Main Department for Research and Technical Development could be reduced from 70 to some 15 workers.

5. In the Main Administrations, an additional deputy to the Main Administration head was to be appointed to guide and regulate activities in the Departments for Financial Economy, Material Procurement and Labor. Also on the Main Administration level, the Departments for Planning and for Investments were to be amalgamated. In smaller Main Administrations, the integration could be carried even further. In the Main Administrations for Pit Coal and for Gas, for example, Material Procurement was to be incorporated in the Department for Financial Economy.

6. In the discussion within the Kollegium, certain objections were raised to the proposal of a single Main Department for Marketing, particularly since Chemicals was concerned. Here, it was stated, production and marketing were so closely related that they could not easily be handled separately.

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